

ARTICLE APPEARED
ON PAGE 12

HUMAN EVENTS
16 March 1985

Rumania Reaps Rewards of Hi-Tech Thefts

By ION MIHAI PACEPA and MICHAEL LEDEEN

One of the most astonishing failures of communism is the regularity with which its political triumph has produced economic ruin. Whether in transforming Russia from the world's greatest grain exporter at the time of the revolution to the world's greatest grain importer today, or in Ethiopia, where the intensity of the famine has stirred the pity of the entire Western world, communism has invariably destroyed the national economy wherever it has come to power. And when the traditional economic institutions of the society prove unable to rescue the country, the Communist leaders invariably turn to the secret services to balance the budget, or at least to distract the people from the economic failures.

After their seizure of power, Communist regimes have always consolidated their conquests through the institutionalized terror of their security forces. During the nationalization of the economies of Eastern Europe, the security forces destroyed millions of members of the "bourgeoisie."

In the 1950s, for example, Rumania's Communist party was able to nationalize the agricultural land and collectivize the agricultural system by using its recently created security forces to arrest some 50,000 peasants and sending them to concentration camps.

Today, there are 900,000 KGB officers in the Soviet Union, along with 500,000 border guards and 550,000 militiamen, which brings their total to one security officer for every 14 citizens, a ratio unmatched in any Western prison, and barely worse than the 16-to-1 ratio in the other Warsaw Pact countries.

The security forces serve other functions, of course, and when the bankrupt Eastern European countries became unable to repay their huge foreign debts in the mid-'70s, the security forces were ordered to perform this mission.

The secret intelligence services of Eastern Europe were ordered to increase the level of technological espionage and to reduce the quantity of imports from the West. They were also

told to use corruption, smuggle drugs and arms, blackmail emigres in the West, and even traffic in human beings in order to produce hard currency. The Rumanian service, the CIE, was instructed to raise at least 10 per cent of the Rumanian annual payment due to the West.

Espionage Against the West

Since the early days of East European communism, technological espionage has been one of the most important dollar-makers and money savers, to the point where in Warsaw Pact countries foreign trade is subordinated to the goals of technological espionage. As of 1978, more than 60 per cent of Warsaw Pact countries' commercial representatives abroad were intelligence officers, and the rest, with a few insignificant exceptions, were agents.

Of the Rumanian trade personnel abroad, 70 per cent were intelligence officers, and 38 of the 41 heads of Rumanian foreign trade enterprises were intelligence officers or agents. About 85 to 90 per cent of the engineers, med-

ical doctors, economists and teachers sent abroad by the Warsaw Pact countries under bilateral agreements are intelligence agents. Every cooperative or joint venture with Western companies is intensively used to infiltrate to the West numerous intelligence officers and agents, for the purpose of illegally obtaining new technology.

Throughout the Warsaw Pact countries, there are numerous secret "technological cities" for nuclear power, electronics, chemistry, etc., where Western technology obtained illegally is used to develop Soviet science and industry. In the Soviet Union alone, there are more than 20,000 KGB engineers and other highly qualified technicians engaged in secretly transforming the results of technological espionage into Soviet military and industrial power—and into hard currency as well.

Technological espionage pays huge dividends to the Soviet bloc. In 1978 the Rumanian government reviewed the results of a decade of illegal activity, and found that the product was impressive indeed: over 35 per cent of the inventory and development of the nation's industry was due at least in part to espionage.

Chemical plants for producing polystyrene, polyurethane, synthetic leather, melamine, dyes, explosives, radial tires and photosensitive materials were built in all regions of the country.

Numerous new medical and pharmaceutical plants were followed by an impressive number of new metallurgical installations for high-alloy steel, metallic carbides and non-metallic alloys as well as modern steel mills and rolling mills, and a brand-new aluminum industry. New digital machine tools, light alloy engines and new diesel engines were other results of intelligence operations.

The nuclear industry reported that it had received enough information to

build an industrial heavy water installation and 30 per cent of the components of its nuclear reactors.

The government estimated that for the decade under review, Rumania had saved between \$600 and \$800 million by replacing legal (but expensive) imports with illegal (but cheap) intelligence products. And if this seems like an enormous figure to you, please consider that I knew from first-hand experience that Rumania lagged far behind some of the other bloc countries, such as East Germany, Czechoslovakia, Poland and Hungary. On my last trip to Moscow the then-chief of Soviet foreign intelligence described the growing Communist technological espionage campaign to me as "one of the most productive and prosperous businesses in history."

Continued